

EXHIBIT 3

60 Minutes
The Winter Hill Gang
5/10/98

ED BRADLEY (EB)
MIKE HUFF (MH)
DAVID WHEELER (DW)
DAVID GREEN (DG)
RAM NEIGHBURG (RN)
JOSEPH BALLERO (JB)
VICTOR GARO (VG)
JOE SALVATI (JS)
UNINTELLIGIBLE (UI)
PHONETIC (PH)

EB: Three years ago when the FBI lowered the boom on the Winter Hill Gang it had all the makings of a major victory. James "Whitey" Bulger and Steven Flemmi, the two leaders of the Winter Hill Gang, the Irish Mob in Boston, had finally been indicted for crimes the government said spanned three decades. But then last summer, one of the indicted gangsters dropped a bombshell. Flemmi disclosed that he and his partner had also been top level informants for the FBI for nearly thirty years and claimed that the FBI had given them a free reign to commit just about any crime. Tonight a look at an extraordinary relationship between the FBI and two Organized Crime bosses. A relationship which became so close that it may have allowed the FBI's informants to get away with murder. In 1977, Roger Wheeler, a businessman from Oklahoma, purchased a company called World Jai Alai, which ran legalized gambling in Florida and Connecticut. Just four years later Wheeler was found dead in his car in the parking lot of his country club in Tulsa, executed mob style. The people in Tulsa were stunned. Wheeler was not only a legitimate businessman but also one of the city's most prominent citizens. Sergeant Mike Huff of the Tulsa Police Department was the first detective at the scene.

MH: Mr. Wheeler uh obviously a professional businessman uh dressed suit and tie and uh seated behind the wheel of his Cadillac, uh shot between the eyes.

EB: So it was one shot from close range.

MH: One shot from close range with a, with a handgun.

EB: Is there any question in your mind that, that Roger Wheeler was murdered by the mob?

MH: There is no question in my mind that uh Organized Crime was involved in his murder.

EB: Just before Wheeler was murdered, he had discovered that money was being skimmed from World Jai Alai but what he didn't know was that his company had been infiltrated by members of the Winter Hill Gang, which was run by Whitey Bulger and Steven Flemmi.

MH: We checked out thousands of other leads but it all comes back to, to Boston and the Winter Hill Gang.

EB: And Flemmi and Bulger.

MH: Yes and as time progresses and more information comes out on Flemmi and Bulger they are more uh more of a suspect now than they have been before.

EB: Seven months after Wheeler was killed, Brian Halloran, a reputed hit man for the Winter Hill Gang, told the FBI that Roger Wheeler was murdered because he had found out about the skimming operation. According to this FBI debriefing report, Halloran said Bulger and Flemmi told him they were plotting to kill Roger Wheeler and that former FBI Agent Paul Rico would probably do the leg work in setting up Wheeler. Rico, who as an FBI Agent in Boston, first recruited Bulger and Flemmi as informants, had gone to work at World Jai Alai after he retired from the FBI in 1975. When that FBI debriefing report surfaced last year in several newspapers Rico called Halloran's statement nonsense. But when we contacted him, Rico refused to talk to us. The FBI made several unsuccessful attempts to verify Halloran's allegations and after six weeks they released him. The problem, Sergeant Huff says, is the FBI did not share Halloran's information with detectives investigating Wheeler's murder. Do you think that this was obstruction of justice by the FBI?

MH: I don't know what else to call it. Yes sir I do.

EB: That's a serious charge.

MH: It's a serious charge and I don't feel real uh real great sittin' here sayin' that seventeen years later but I don't think there's any other answer to that question.

EB: David Wheeler, Roger Wheeler's son, says he had trouble understanding why his father's murder had remained unsolved for so long until he found out Bulger and Flemmi were FBI informants.

DW: We've discovered that all along the FBI has been in bed with the prime suspects in my father's murder.

- EB: So you believe that the FBI protected your father's killers and tried to prevent the truth from coming out?
- DW: They not only protected my father's killers, they to this day are protecting my father's killers. And they are to this day withholding information from the police. This is eighteen years of covering up a crime. This is eighteen years of being an accessory to murder.
- EB: Three months after the FBI was told that Bulger and Flemmi plotted the murder of Roger Wheeler, the man who told them, Brian Halloran, was gunned down in Boston. Then another member of the Winter Hill Gang, who knew about the Wheeler murder was shot to death, his body stuffed in the trunk of his car at Miami Airport. These detectives from Oklahoma, Florida and Connecticut believe all three murders remain unsolved because Bulger and Flemmi were protected by the FBI while they were providing information on the Italian Mafia in New England. David Green worked Organized Crime cases for the State of Florida. These guys, Bulger and Flemmi, if, if, what we're told is true are high level informants for giving them good information that enables them to take down mob members in New England. Is that a good trade off?
- DG: No it's absolutely a poor trade off. Poor trade off. Mobsters, by their way of life could make crime all their lives. If you don't catch `em today you can catch `em tomorrow. Roger Wheeler will never do another day's work. He's, he's a businessman that was murdered. There's the priority. Not makin' mob cases.
- EB: It also came out that, that, that Bulger and Flemmi's uh FBI handlers time and again tipped them off to investigations that were underway uh investigations in which they had become targets. Presumably this was to keep them on the street so they could continue to provide information (UI).
- DG: Correct. That's your license to steal. There's your license.
- EB: That's not good police work?
- DG: No, that's terrible police work. That's a violation of all police ethics. Professionalism and not to mention some criminal statutes.
- EB: So the FBI did cross a line here.
- DG: Absolutely. Rather, they ran across it.

- EB: Miami Homicide Detective Ram Neighburg says his department was frustrated by the lack of cooperation it received from the FBI.
- RN: When you work an Organized Crime case, any case related to Organized Crime, you expect a certain amount of frustration uh but you expect it from the bad guys. You don't expect it from the people that you assume to be the good guys.
- EB: What did you think when it was confirmed in federal court that Bulger and Flemmi had been FBI informants for thirty years?
- DG: They had a license to steal for thirty years. Apparently that license got a little broader and covered a homicide.
- EB: Even before it was disclosed that they were FBI informants, Whitey Bulger and Steven Flemmi were legends in Boston's underworld. Bulger is identified by the President's Commission on Organized Crime as a reputed killer, bank robber and drug trafficker and he's also incidentally the brother of former Massachusetts Senate President Billy Bulger, for decades one of the most powerful politicians in the state. Flemmi is a suspect in gangland murders dating back to the 1960's, when he was recruited as an informant by FBI Agent Paul Rico. Since then both men have been investigated by state and local police for just about every activity associated with Organized Crime but they were never prosecuted during the thirty years that they were informants. Joseph Ballero (PH), a criminal defense attorney in Boston for nearly fifty years has represented most of the top Mafia leaders in New England.
- JB: We always suspected at that time that uh, uh Steve Flemmi uh had this unusual uh, uh teflon exterior that both he and, and Bulger uh were, were pretty much uh, uh immune uh from prosecution.
- EB: They could get away with anything.
- JB: They could get away with practically anything. And, and did. To have uh the FBI uh in that kind of a close relationship with people that they know are out everyday and they're sanctioning their committing crimes with people they know as a, have reputations to being killers and, and have that kind of a relationship with them, who are the bad guys and who are the good guys?
- EB: How close was the relationship between the good guys and the bad guys? Flemmi says three years ago when he and Bulger were about to be arrested, someone from the FBI tipped them off. Bulger escaped and is still a fugitive.

JB: It's no coincidence that Bulger just left on this extended vacation that's now lasted some two years. Uh just by coincidence. And there's no question in my mind that uh, uh Steve Flemmi was just about to leave.

EB: Despite the tip, Flemmi was caught and charged with crimes that include racketeering, murder, extortion and illegal gambling. Last summer with his trial looming, Flemmi disclosed that he and Bulger had been top level FBI informants for years and he filed a motion to dismiss the indictment saying any crimes that they committed were done with the approval of the FBI. In court affidavits Flemmi said that during the years he and Bulger were informants they had frequent get togethers at FBI Agents' homes and regularly exchanged valuable gifts with them. One former FBI Supervisor, John Morris, even admitted taking thousands of dollars in pay offs from Bulger and Flemmi at a time when it was his job to oversee Organized Crime investigations. Attorney Joseph Ballero (PH) says FBI Agents were so intent on not losing Steven Flemmi as an informant that they even saw to it that Flemmi's brother, Vincent Flemmi, was never charged for his role in a murder committed in 1965. The result Ballero (PH) says was that this man, Joseph Salvati (PH) spent thirty years in prison for a crime actually committed by Flemmi's brother. Salvati's (PH) conviction in 1967, was based on the testimony of mafia hit man Joe Barbosa (PH), two years after Salvati went to jail, Barbosa (PH) came forward and said he had lied on the stand and when he tried to set the record straight he said he was pressured by the FBI not to implicate Flemmi's brother who has since died. For twenty-two years attorney Victor Garo (PH) has represented Salvati (PH) without charging a fee.

VG: I have always maintained that Joe Barbosa (PH) framed Joe Salvati (PH). I have always maintained that Barbosa (PH) was hiding a close associate of a friend. I have always maintained that that close associate or friend that Barbosa (PH) was hiding was Vincent Flemmi.

EB: And Flemmi is the brother of Steven Flemmi.

VG: That is correct.

EB: Who is a Top Echelon FBI informant.

VG: Exactly.

EB: Last year after thirty years in prison and a series of stories in Boston by WBZ TV Reporter Dan Ray, Salvati's (PH) sentence was commuted by the Governor of Massachusetts. From the very beginning you said that you were innocent and

it took the government nearly three decades to believe you. Why.

JS: I don't know it's just, they put me here, they, they weren't gonna say that they were wrong.

EB: How important is it for you to see the, the people who are responsible for sending you to prison, how important for you is it to see them punished?

JS: Punishment enough is if they'll admit it, and as far as like sendin' them to prison, I wouldn't wanna see a dog go to prison because I wouldn't want their families to go through what my family went through.

EB: Even after what you've been through?

JS: Absolutely. Absolutely.

EB: What does the FBI say about all of this? Well we tried to interview FBI officials in Boston and Washington but our requests were turned down. One FBI spokesman said they wouldn't even talk to us on background about Whitey Bulger and Steven Flemmi. In court, former FBI Agent Paul Rico and other FBI officials have denied they ever gave Bulger and Flemmi a license to commit crimes. But two FBI spokesman told us that Bureau officials are prohibited from talking publicly by a gag order.

GV: The government has a lot to hide here. There's a lot at stake. There are reputations of agencies at stake. There could be possible criminal conduct by certain people and just like Joe Salvati (PH) said, they're not gonna come forward and say they made a mistake. There's a lot of people wish that Joe Salvati (PH) had died in prison.

EB: Your sentence was, was commuted. That means that you're free but I, I guess officially you're still on parole...

JS: Life parole.

EB: ...and on the books.

JS: Um hm.

EB: ...the public record you are still listed as an accessory...

JS: Right.

EB: ...to murder.

JS: Right.

EB: What is it that you want?

JS: I wanna be vindicated. I want my name cleared and I just wanna be left alone with my family and friends.

DW: In the end, there's one group, one group of people that were supposed to help us and that was the FBI and those are the very people that betrayed us. Those are the very people that continue to betray us to this day.

(End of conversation)

(End of recording)